United Nations E/2008/55

Economic and Social Council

Distr.: General
8 May 2008

Original: English

Substantive session of 2008
New York, 30 June-25 July 2008
Item 7 (f) of the provisional agenda*
Ad hoc advisory groups on African countries emerging from conflict

Report of the Ad Hoc Advisory Group on Guinea-Bissau

Summary

The present report is submitted to the Economic and Social Council in response to its resolution 2007/17, in which the Council extended the mandate of the Ad Hoc Advisory Group on Guinea-Bissau until the substantive session of 2008. The report provides an overview of the work of the Group since its establishment in 2002, highlighting its main accomplishments and key recommendations, and concludes with some observations about Guinea-Bissau which the Group believes may be of use to the Peacebuilding Commission. The Group recommends the termination of its mandate at the 2008 substantive session of the Council.

* E/2008/100.

08-33210 (E) 300508

I. Introduction

1. The Economic and Social Council, in its resolution 2002/1, created a framework for advisory groups on African countries emerging from conflict with a view to assessing the humanitarian and economic needs of those countries and elaborating a long-term programme of support beginning with the integration of relief into development. At the time, the Council was responding to a request made by the General Assembly in its resolution 55/217 on the causes of conflict and the promotion of durable peace and sustainable development in Africa.

2. In response to that request, the Council created the Ad Hoc Advisory Group on Guinea-Bissau in October 2002 (decision 2002/304), as the first pilot case. The members of the Group included the permanent representatives of South Africa (Chairman), Brazil, Guinea-Bissau, the Netherlands and Portugal. The President of the Economic and Social Council, the Chairman of the Group of Friends of Guinea-Bissau and the Chairman of the Ad Hoc Working Group of the Security Council on Conflict Prevention and Resolution in Africa also took part in its work.

3. Since its establishment, the Group has carried out three visits to Guinea-Bissau, including two joint missions with the Security Council, in 2003 and 2004, and on six occasions hosted the Cabinet ministers and other senior Government officials in New York, including, on two occasions each, the interim President and the Prime Minister. The Chairman of the Group has also met twice with various Cabinet ministers outside New York (in Lisbon and Geneva during donor meetings). The Group benefited from regular briefings from and interaction with the Department of Political Affairs, the United Nations Peacebuilding Support Office in Guinea-Bissau, the United Nations Development Programme (UNDP) and the International Monetary Fund (IMF). The Group met periodically with the members of the Group of Friends of Guinea-Bissau and with representatives of neighbouring countries and actively advocated that the country receive attention and resources from the international community, targeting in particular new donors in an effort to expand the donor base, and encouraged the country with regard to its economic and political reforms.

4. In its last two reports (E/2006/8 and E/2007/57), the Group, recognizing the limitations inherent in its structure and mandate, invited the Council to consider recommending, upon the request of Guinea-Bissau, that that country be placed on the agenda of the Peacebuilding Commission. On 11 July 2007, the Prime Minister of Guinea-Bissau made a formal request for the inclusion of the country on the Commission's agenda. The Chairman of the Group, Dumisani Kumalo of South Africa, played a key role in shepherding the negotiations on this issue through the Security Council in his dual capacity as Chairman of the Group and member of the Council. On 11 December 2008, the Security Council agreed to support the inclusion of Guinea-Bissau on the agenda of the Peacebuilding Commission and, on 19 December, the Commission agreed to do so and set up a country-specific meeting group on Guinea-Bissau under the chairmanship of the Permanent Representative of Brazil to the United Nations. The Group welcomes the consideration of Guinea-Bissau by the Peacebuilding Commission and recommends that the Economic and Social Council terminate its mandate.

5. The present report, prepared in response to resolution 2007/17, reviews the Group's accomplishments, highlights some of its key recommendations, which the

Group believes remain relevant, and concludes with some observations that may be relevant to the Peacebuilding Commission, in particular in its consideration of Guinea-Bissau.

II. Main accomplishments

6. The accomplishments of the Group must be reviewed against the backdrop of the situation in the country at the time of its first visit in November 2002. The situation was rapidly deteriorating owing to the contentious rule of Kumba Yala, the first elected post-civil-war President, failing economic management of State institutions and unresolved issues regarding the role of the military in the State, as well as the lack of a working judicial system and no clear separation of powers among key State institutions, including the executive, the legislature and the judiciary. The period was also characterized by great institutional instability, with a high turnover of ministers and other senior officials in Government. Economic growth declined by 4.2 per cent in 2002 as a result of the combination of a sharp drop in both the production of and the international market price for cashew nuts and the sizeable loss of official development assistance from bilateral and multilateral donors arising from the decision by IMF to suspend its Poverty Reduction and Growth Facility in May 2001. The Government was in considerable arrears in payments to civil servants, the military and the private sector, and salaries had not been paid for four or five months. These developments were taking place in the context of a simmering secessionist movement on the country's northern border and political turmoil and civil war in the subregion. There were indications that the country could easily relapse into violent conflict.

7. It was against that backdrop that the Group took a strategic decision to help the country to confront its short-term crisis while at the same time addressing its long-term needs. In order to address the concerns of the donor community regarding deficits in economic and political governance and restore donor confidence, the Group recommended the establishment of a partnership, in the form of a compact between the authorities of Guinea-Bissau and the international community. One element of the compact was that the Government of Guinea-Bissau would agree to promote the rule of law and political stability, specifically, by promulgating the Constitution; electing the President and the Vice-President of the Supreme Court; and empowering the ministerial team so as to give its members a measure of stability and continuity in formulating a long-term development strategy. In return, the partners of Guinea-Bissau would agree to provide emergency financial support, technical assistance, capacity-building assistance, assistance in preparing for the 2003 and 2004 elections, and other forms of development assistance.

8. This partnership approach materialized with the creation of a temporary Economic Emergency Management Fund on 5 January 2004. The Fund, which was managed by UNDP, allowed the Government to fund recurring expenditures, such as salaries, and to resume the provision of social services and key public administration activities. On 26 January 2004, one of the key conditions of the compact was met, with the election of the President and the Vice-President of the Supreme Court. While the Economic Emergency Management Fund was never fully funded, it was an important stopgap at a critical time during the transition process, when the Government needed to contain potentially volatile social tensions.

9. Another significant success of the Group was its ability to work closely with the Bretton Woods institutions, in particular the International Monetary Fund. The Group's advocacy of a comprehensive and coherent approach by the United Nations and the Bretton Woods institutions, in particular its call for the embedding of flexibility and creativity in the design of macroeconomic programmes in view of the need to adapt to the complexities facing post-conflict countries, was well received. The Group is of the view that that recommendation and its call for the resumption of a programme for Guinea-Bissau contributed to the decision by the Executive Board of IMF to renew access to emergency post-conflict assistance.

10. An important, albeit less tangible, achievement of the Group was its insistence that the traditional division between security and political issues on the one hand and economic and social issues on the other, which had prevailed at the United Nations for many years, was both intellectually and empirically unsustainable. With this in mind, the Group, in its recommendations, did not shy away from addressing issues related to development, security and human rights. Indeed, as the first intergovernmental body that fully recognized and embodied this approach, the Group played an important role in promoting the idea of integrating those three dimensions as a way to consolidate peace in post-conflict situations. That idea laid the foundation for the establishment of the Peacebuilding Commission.

11. In this connection, it is important to note that the Group worked closely with the Security Council. Given that Guinea-Bissau was on the agenda of the Security Council when the Group was established, the Economic and Social Council requested that the Ad Hoc Working Group on Conflict Prevention and Resolution in Africa be invited to participate in the work of the Advisory Group. Recognizing the value of such collaboration, and as part of the effort to promote a comprehensive and multifaceted approach to peacebuilding, the two Groups worked in close collaboration and the Chairman of the Ad Hoc Working Group participated actively in the deliberations.

12. Furthermore, the Advisory Group undertook two joint missions with the Security Council to Guinea-Bissau, in June 2003 and June 2004. The main objective of the two missions was to promote dialogue with the authorities of Guinea-Bissau with a view to promoting better understanding between the authorities and the country's partners. The Group took advantage of those missions to press for a broader understanding of the role of development in conflict prevention and peacebuilding, and informally contributed proposals for inclusion in the Council's report on the missions. The fact that Brazil and South Africa were members of both the Ad Hoc Advisory Group on Guinea-Bissau and the Security Council at various times during the Group's mandate also served as an important bridge between the two forums, mutually reinforcing and enriching the debates in both on strategies to promote peace and development in Guinea-Bissau.

III. Key recommendations

13. In its first report (E/2003/8), of January 2003, the Group made a series of short-term and longer-term recommendations addressed to the Government of Guinea-Bissau, the donor community and the international community, including the United Nations system. A number of other recommendations were made in subsequent reports to the Council in response to the evolution of the situation in the

country. Those recommendations covered the issues of human rights, civil society participation, political governance, economic and financial management, civil service reform, the rehabilitation and reconstruction of physical infrastructure, technical assistance for capacity-building, the diversification of the productive sector, food security, debt relief, education and health, investment, civil society and the media, gender mainstreaming, overall coherence and coordination among donors and the strengthening of United Nations coordination mechanisms. Some of those recommendations were implemented, while others were not.[1]

14. Given that instability prevailed in Guinea-Bissau for some time, the attention of the international community, including the United Nations system, was focused on solving immediate problems, in particular the payment of arrears and salaries. As a result, even other short-term recommendations, such as the funding of quick-impact income-generating projects and the crafting of a comprehensive technical assistance plan for capacity-building, did not benefit from the same level of attention and were not implemented. The Group strongly recommends that the Peacebuilding Commission consider those recommendations in the integrated peacebuilding strategy that is currently being designed. With regard to technical assistance for capacity-building, South-South and triangular arrangements involving neighbouring countries would be an appropriate framework for providing support to Guinea-Bissau.

15. In its first report, the Group called on the international community to support the efforts of the Government to review, as appropriate, its national food security policy with a view to filling gaps, identifying and removing obstacles and taking adequate measures to ensure that the population was adequately fed. The Group reiterates its support for that recommendation, particularly in the light of the fact that the country's food security has not improved significantly since the Group's first visit and that the population — both rural and urban — continues to face food shortages on a regular basis. In the light of the current sharp rise in food prices worldwide, and given the structure of the economy of Guinea-Bissau, which is highly dependent on world commodity prices and the weather, the country is also expected to face significant food shortages this year. As a country emerging from conflict, with high unemployment and extreme poverty, it is imperative that the international community pay attention to removing any potential triggers for unrest and violence.

16. The Group underscores the importance of some of the long-term recommendations that it has consistently made in its reports. From its first report through to its previous report (E/2007/57), the Group called on the international community to help Guinea-Bissau formulate and implement a comprehensive economic diversification strategy as a way of finding new sources of growth and employment opportunities. Such a strategy could begin by adding value to cashew nuts, expanding the range of agricultural exports, including rice, and developing the fisheries and forestry subsectors and the first stage of the tourism industry. The country also has great potential in terms of bauxite and phosphates, as well as gold and diamonds. Oil is also being explored offshore.

17. The diversification of the economy of Guinea-Bissau requires carefully targeted support for the rehabilitation and reconstruction of critical infrastructure, in

[1] For details about which recommendations were implemented, see E/2005/70.

particular in the areas of energy, water, communications and transport. In addition to identifying those fundamental requirements, the Group also called on the Government to accelerate its efforts, in close collaboration with the private sector and regional organizations, to strengthen the banking system and put in place appropriate legislation to attract private investment. The Group acknowledges the progress that has been made in this regard. The Group remains of the view that peacebuilding is difficult — perhaps impossible — unless it is based on a firm economic foundation. For this reason, we are convinced that modest investment in key sectors could be an important catalyst for restarting the economy and putting in place the conditions for sustainable development and peace.

18. The Group has also consistently called for more attention to be paid to the issue of security sector reform. In its first report, in addition to drawing attention to poor conditions of service in the military, the Group pointed to the growing ethnic division in the military and to the availability of small arms. In its last four reports,[2] the Group urged that international support be provided for a comprehensive restructuring package for the armed forces on the basis that it would address one of the key structural causes of conflict in Guinea-Bissau and is crucial to the prevention of a relapse. The lack of progress in this area will continue to contribute to political instability and uncertainty and will deter investment and official development assistance, which are essential to the development of the country.

19. The Group also believes that there should be strong engagement and interaction with regional and subregional organizations. As has been noted in previous reports, they have played an important role in the political and financial stabilization of Guinea-Bissau. However, owing to time and financial limitations, the Group did not engage in a systematic exchange of views with such organizations, which include the Economic Community of West African States and the Community of Portuguese-speaking Countries. More systematic consultations with regional economic organizations, including regional financial institutions such as the African Development Bank and the Central Bank of West African States, could enhance the contribution of the Peacebuilding Commission. The Group also believes that more interaction with the United Nations Office for West Africa could also be valuable.

IV. Conclusions

20. **Guinea-Bissau continues to face serious challenges, the latest of which is the use of its territory as a transit point for drug trafficking. In its last report, the Group expressed concern that this development and associated criminal activities could further undermine and weaken the State, and called on the international community to help the country to confront that new challenge. It is important that, while doing so, the international community recognize that this new crisis is a symptom of the failure to address the structural causes of conflict, which are rooted in large part in the widespread poverty in the country. Efforts to tackle this new scourge will succeed only if the people of Guinea-Bissau believe that they will receive the benefits of economic and social development.**

[2] E/2005/8, E/2005/70, E/2006/8 and E/2007/57.

21. In the short term, however, the international community can support the country by providing predictable and adequate resources to ensure the delivery of basic services and the minimum functioning of the State. The disbursement of pledges made at the donor round-table conference in November 2006 would help the Government to implement its economic reform programme and break the vicious circle of low performance and declining donor assistance. As the Group has noted in many of its reports, Guinea-Bissau faces the simultaneous challenges of governing while building the institutions of the State, including those required for effective Government administration. At the same time, it is faced with the normal challenges of socio-economic development as it undertakes the burdensome task of economic reconstruction and reconciliation in a conflict-sensitive manner. These unique challenges require flexible financing mechanisms and the sustained attention of the donor community.

22. The Peacebuilding Commission may wish to consider the work of the Ad Hoc Advisory Group on Guinea-Bissau and use the lessons that can be drawn from this experience, including (a) the need to have appropriate mechanisms to mobilize donors and promote the translation of pledges into disbursements in a timely and predicable manner (ensuring "effective donorship"); (b) the importance of going beyond immediate problem-solving in the countries considered and defining a vision, from the very beginning, of longer-term rehabilitation and support; (c) the need to stay engaged over the long term, even when the political situation (for example, an electoral process) would traditionally lead to a "wait and see" approach; (d) making good use of the work of United Nations entities to complement the policy approach of the intergovernmental body by strong support at the technical and operational level; and (e) ensuring good communication with the regional partners of the countries concerned, including regional and subregional organizations and financial institutions.

23. The Group is of the view that it played an important role in demonstrating how development could support peace and security, thereby complementing work that has been taking place in the General Assembly and the Security Council on advancing the concept of an integrated approach to peacebuilding. As the first institutionalized mechanism to address this link in a comprehensive way, the Economic and Social Council Ad Hoc Advisory Group on Guinea-Bissau, together with that on Burundi, constituted and utilized forward-thinking methodologies, thereby preparing the way for the Peacebuilding Commission. The Group believes that the Council still has a valuable role to play and, for this reason, once the mandate of the Group has been terminated, the Council and the Commission may wish to consider establishing an appropriate institutional relationship to ensure the coherence and synergy of their respective roles with regard to recovery, integration and reconstruction in countries emerging from conflict, particularly in Africa.